

ASSEMBLY BILL

No. 1388

Introduced by Assembly Member Obernolte

February 27, 2015

An act to amend Section 14043.55 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 1388, as introduced, Obernolte. Medi-Cal: moratoria on enrollment of providers.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. Existing law authorizes the department to implement a moratorium on the enrollment of providers in the Medi-Cal program under specified circumstances.

This bill would require the department to exempt a clinical laboratory provider from a moratorium on the enrollment of clinical laboratories if the provider has an existing relationship with the Medi-Cal program as a provider of benefits through a contract with a Medi-Cal managed care plan. The bill would also make other technical, nonsubstantive changes to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 14043.55 of the Welfare and Institutions Code is amended to read:

14043.55. (a) (1) The department may implement a 180-day moratorium on the enrollment of providers in a specific provider of service category, on a statewide basis or within a geographic area, except that no moratorium shall be implemented on the enrollment of providers who are licensed as clinics under Section 1204 of the Health and Safety Code, health facilities under Chapter 2 (commencing with Section 1250) of the Health and Safety Code, clinics exempt from licensure under Section 1206 of the Health and Safety Code, or natural persons licensed or certified under Division 2 (commencing with Section 500) of the Business and Professions Code, the Osteopathic Initiative Act, or the Chiropractic Initiative Act, when the director determines this action is necessary to safeguard public funds or to maintain the fiscal integrity of the program. This moratorium may be extended or repeated when the director determines this action is necessary to safeguard public funds or to maintain the fiscal integrity of the program. The authority granted in this section shall not be interpreted as a limitation on the authority granted to the department in Section 14105.3 of this code.

(2) *Notwithstanding paragraph (1), if a moratorium is implemented on the enrollment of clinical laboratories pursuant to paragraph (1), the department shall exempt from the moratorium a clinical laboratory provider that has an existing relationship with the Medi-Cal program as a provider of benefits through a contract with a Medi-Cal managed care plan.*

(b) If the Secretary of the United States Department of Health and Human Services establishes a temporary moratorium on enrollment as described in federal regulations, the department shall establish a corresponding moratorium covering the same period and provider types, even if those provider types would not ordinarily be subject to a moratorium under this section, unless the department determines that the imposition of the moratorium will adversely impact beneficiaries access to medical assistance. A federal moratorium adopted under this subdivision shall not be subject to the director's determinations regarding safeguards of

1 public funds and program integrity or other prerequisites that are
2 necessary to implement a state-initiated moratorium.

3 (c) (1) This section shall become operative on the effective date
4 of the state plan amendment necessary to implement this section,
5 as stated in the declaration executed by the director pursuant to
6 paragraph (2).

7 (2) Upon approval of the state plan amendment necessary to
8 implement this section under Section 455.470 of Title 42 of the
9 Code of Federal Regulations, the director shall execute a
10 declaration, to be retained by the director and posted on the
11 department's Internet Web site, that states that this approval has
12 been obtained and the effective date of the state plan amendment.
13 The department shall transmit a copy of the declaration to the
14 Legislature.

O